

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION

IN RE:)	
)	
MOREHEAD MEMORIAL HOSPITAL,)	Case No. 17-10775
)	Chapter 11
Debtor.)	
_____)	

RESPONSE TO AMENDED NOTICE OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES SUBJECT TO POSSIBLE ASSUMPTION AND
ASSIGNMENT AND PROPOSED CURE AMOUNTS

NOW COMES U.S. BANK EQUIPMENT FINANCE, a division of U.S. BANK NATIONAL ASSOCIATION ("U.S. Bank Equipment Finance"), responding to Debtor's *Amended Notice of Executory Contracts, et al.* as follows:

1. On or about March 9, 2017, Debtor and Stryker Flex Financial, a division of Stryker Sales Corporation ("Stryker"), entered into a Short Form Lease Agreement ("Lease Agreement") for the lease of certain medical equipment. A copy of the Lease Agreement and its Exhibit A is attached hereto and incorporated herein by reference as Exhibit 1.

2. The Lease Agreement required 36 monthly lease payments of \$4,394.40, plus monthly tax payments, increasing the monthly payment to \$4,691.02. Attached hereto and incorporated herein by reference as Exhibit 2 is a screen shot from U.S. Bank Equipment Finance, reflecting the calculation of the monthly payment.

3. Although the Lease Agreement represents a true lease, Stryker filed a protective UCC Financing Statement, a copy of which is attached hereto and incorporated herein by referenced as Exhibit 3.

4. Subsequently, for value received, Stryker sold and assigned the Lease Agreement and perfected security interest to U.S. Bank Equipment Finance.

5. As a result of the assignment of the Lease Agreement, U.S. Bank Equipment Finance tendered a purchase order to Stryker for the purchase of the subject equipment, and Stryker invoiced U.S. Bank Equipment Finance for the same. Copies of the purchase order and invoice are attached hereto and incorporated herein by reference as Exhibits 4 and 5, respectively.

6. Debtor filed Chapter 11 Bankruptcy on July 10, 2017. Prior to the filing, Debtor had only made one (1) good, partial payment for the lease payment due for May, 2017 in the amount of \$4,394.40. Payments ostensibly made by Debtor in June and July, 2017 were subsequently reversed, and Debtor defaulted on those two (2) lease payments.

7. Subsequent to the Chapter 11 filing, Debtor made three (3) post-petition lease payments to U.S. Bank Equipment Finance in the sum of \$4,691.02. For accounting purposes, those payments were applied to the pre-petition arrears and the August, 2017 post-petition lease payment. Attached hereto and incorporated herein by reference as Exhibit 6 is a screen shot showing application of the payments with a cure amount of \$15,283.65. Attached hereto and incorporated herein by reference as Exhibit 7 is a Detailed Pay History Report reflecting the same cure amount. The cure amount is calculated through the November, 2017 lease payment, with another lease payment of \$4,691.02 coming due on December 3, 2017.

8. Debtor's *Amended Notice of Executory Contracts, et al.* reflects a proposed cure amount of \$0.00.

WHEREFORE, U.S. Bank Equipment Finance objects to the proposed cure amount in Debtor's *Amended Notice of Executory Contracts, et al.*, and requests that the Court show a cure amount of \$15,283.65 through November, 2017, with another lease payment of \$4,691.02 coming due on December 3, 2017. Further, U.S. Bank Equipment Finance requests that the Court schedule a hearing on this matter and to grant such other and further relief as this Court deems just and proper.

This the 9th day of November, 2017.

/s/ Gregory P. Chocklett
GREGORY P. CHOCKLETT
NC State Bar No. 12623
Law Offices of Gregory P. Chocklett
711 Harvey Street
Raleigh, NC 27608
Telephone: (919) 856-0100
Facsimile: (919) 856-0799
Email: gchocklett@chocklettlaw.com
*Attorney for U.S. Bank Equipment Finance, a
division of U.S. Bank National Association*

Mar. 9. 2017 9:49AM

MOREHEAD MEMORIAL HOSPITAL

No. 6476 P. 3

stryker
 FLEX FINANCIAL

Owner ("we" or "us"):
 Stryker Flex Financial, a division of Stryker Sales Corporation
 1901 Renaissance Road Parkway
 Portage, MI 49002

Short Form Lease Agreement No.

Customer Name and Address ("You" and "Your"): Morehead Memorial Hospital 117 East Kings Hwy Eden, North Carolina 27288-5201	Equipment Location: 117 East Kings Hwy, Eden, North Carolina 27288-5201 Supplier: Stryker Sales Corporation, 4100 E. Millham Avenue, Kalamazoo, MI 49001 Equipment Description: (see attached Exhibit A which is a part of this Agreement.)
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PAYMENT INFORMATION				
# of Lease Payments	Payment Frequency	Lease payment	Terms of Agreement in Months: 36	
36	Monthly	\$4,394.40 (First payment due 30 days after Agreement is commenced), (Plus applicable Sales/Use Taxes - See "Taxes" section below)	Equipment Purchase Option: Fair Market Value Option Equipment Purchase Option shall be FMV unless another option is stated above.	
		Security Deposit	First Period Payment	Other
		\$0.00	+	\$0.00
				+
				\$ 0.00
				-
				\$ 0.00

1. Lease: You ("Customer") agree to lease from us ("Owner") the equipment (including software and/or software license fees ("Software"), if any, "Equipment") listed above and on any attached schedule in accordance with the terms of this Agreement (this "Agreement"). This Agreement starts on the day the Equipment is delivered to you ("Commencement Date") and continues for the number of months described above (the "Term"). The Lease Payments ("Payments") shall be payable beginning on the Commencement Date or any later date we designate and thereafter until all fully paid. Your obligations under this Agreement ("Obligations") are absolute, unconditional, and are not subject to cancellation, defense, recoupment, reduction, setoff or counterclaim. If a Payment is not made when due, you will pay us a late charge of 5% for each Payment or \$10.00, whichever is greater. We may charge you a fee of \$55.00 for any check that is returned. You authorize us to adjust the Payments at any time if taxes included in the Payments differ from our estimate. You agree that the Payments were calculated by us based, in part, on a rate reported in the "Interest rate swaps" section of Federal Reserve Statistical Release H-15 and in the event the Term of this Agreement starts more than 30 days after we send this Agreement to you, we may adjust the Payments once to compensate us, in good faith, for any increase in such rate. You shall be deemed to have accepted the Equipment for lease hereunder upon the date that is ten (10) days after it is shipped to you by the Supplier and, at our request, you shall confirm for us such acceptance. No acceptance of any item of Equipment may be revoked by you.
2. Title and Laws: Unless you have a \$1.00 purchase option, we own the Equipment and you have the right to use the Equipment during the Term, provided you comply with the terms of this Agreement. If you have a \$1.00 purchase option or this Agreement is deemed to be a security agreement, you grant us a security interest in the Equipment and all proceeds therefrom, and authorize us to file financing statements on your behalf. You agree not to permit any lien, claim or encumbrance to be placed upon the Equipment. You shall comply with all applicable laws, rules and regulations and manufacturer's specifications and instructions concerning the operation, ownership, use and/or possession of the Equipment.
3. Equipment Use, Maintenance and Warranties: Any Assignee (as defined below) is leasing the Equipment to you "AS-IS" AND MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. You must, at your cost, keep the Equipment in good working condition. If Payments include maintenance and/or service costs, you agree that (i) no Assignee is responsible to provide the maintenance or service, (ii) you will make all maintenance and service related claims to the persons providing the maintenance, service or warranty, and (iii) any maintenance, warranty or service claims will not impact your Obligations. The Equipment cannot be moved from the location above without our prior written consent. STRYKER SALES CORPORATION (INCLUDING STRYKER FLEX FINANCIAL, ITS DIVISION) MAKES NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE REGARDING ANY EQUIPMENT. This Agreement will not impair any express warranties or indemnifications or other obligations of Stryker Corporation or any of its subsidiaries to you regarding the Equipment and we hereby assign all of our rights in any Equipment warranties to you.
4. Assignment: You agree not to transfer, sell, sublease, assign, pledge or encumber the Equipment or any rights under this Agreement without our prior written consent, which consent shall not be unreasonably withheld, and if you do, even with our consent, you will still be fully responsible for all your Obligations. You shall provide us with at least 45 days' prior written notice of any change to your principal place of business, organization or incorporation. You agree that we may, without notice to you, sell, assign, or transfer ("Transfer") this Agreement to a third party (each, an "Assignee"), and each Assignee will have our Transferred rights, but none of our obligations, and such rights will not be subject to any claims, recoupment, defenses, or setoffs that you may have against us or any supplier even though an Assignee may continue to bill and collect all of your Obligations in the name of "Stryker Flex Financial".
5. Risk of Loss, Insurance and Reimbursement: Effective upon delivery to you and continuing until the Equipment is returned to us in accordance with the terms of this Agreement, you shall bear all risk of Equipment loss or damage. If any such loss or damage occurs you still must satisfy all of your Obligations. You will (i) keep the Equipment insured against all risks of loss or damage for an amount equal to its replacement cost, (ii) list us as the insurance sole loss payee and (iii) give us written proof of the insurance. If you do not provide such insurance, we have the right, without obligation, to obtain such insurance and add an insurance fee (which may include a profit) to the amount due from you. You will obtain and maintain comprehensive public liability insurance naming us as an additional insured with coverage and amounts acceptable to us. To the extent not expressly prohibited by applicable law, you will reimburse and defend us, including each Assignee for and against any losses, injuries, damages, liabilities, expenses, claims or legal proceedings asserted against or incurred by us, including any Assignee, relating to the Equipment and which relate to or arise out of your act or omission or the act or omission of your agents or employees or others (excluding us) with access to the Equipment. The terms of this paragraph will continue after the termination, cancellation or expiration of this Agreement.
6. Taxes: You agree to pay when due, either directly or as reimbursement to us, all taxes (i.e., sales, use and personal property) and charges in connection with ownership and use of the Equipment. We may charge you a processing fee for administering property tax filings. To the extent not expressly prohibited by applicable law, you will indemnify us on an after-tax basis, on demand, against the loss or unavailability of any of our anticipated equipment ownership tax benefits caused by your act or omission.
7. Default Remedies: You are in default under this Agreement if: a) you fail to pay a Payment or any other amount when due; or b) you breach any other obligation under this Agreement or any other agreement with us; or c) your principal owner or any guarantor of this Agreement dies; d) you or any guarantor dissolves, ceases to do business as a going concern, becomes insolvent, bankrupt, merges, or is sold; or e) You or any guarantor fails to pay any other material obligation owed to us or any of our affiliates. Upon default, we may: a) declare the entire balance of unpaid Payments for the full Term immediately due and payable; b) sue you for and receive the total amount due plus the Equipment's anticipated end-of-Term fair market value ("FMV") or fixed price purchase option (the "Residual") with future Payments and Residual discounted to the date of default; at the lesser of (i) a per annum interest rate equivalent to that of a U.S. Treasury constant maturity obligation (as reported by the U.S. Treasury Department) that would have a repayment rate of 18% per year from the date of default until paid; and/or d) require you to immediately return the Equipment to us or we may peaceably repossess it. Upon default, you will also pay all expenses including but not limited to reasonable attorneys fees, legal costs, cost of storage and shipping incurred by us in the enforcement and attempted enforcement of any remedies under this Agreement. Any return or repossession will not be considered an Agreement termination or cancellation. If the Equipment is returned or repossessed we

Agreement #



Mar. 9. 2017 9:50AM

MOREHEAD MEMORIAL HOSPITAL

No. 6476 P. 4

stryker
 FLEX FINANCIAL

may sell or re-sell the Equipment at terms we determine, at one or more public or private sales, with or without notice to you, and apply the net proceeds (after deducting any related expenses) to your obligations. You remain liable for any deficiency with any excess being retained by us.

8. End of term: You will give us at least 90 days but not more than 180 days written notice (to our address above) before the initial Term (or any renewal term) expiration of your intention to purchase or return the Equipment, whereupon you may: a) purchase all, but not less than all, of the Equipment as indicated above or b) return all of the Equipment in good working condition at your cost how, when and where we direct. Any FMV purchase option amount will be determined by us based on the Equipment's in place value. If you don't notify us, or if you don't a) purchase or b) return the Equipment as provided herein, this Agreement will automatically renew at the same Payment amount for consecutive 60-day periods. If any Software license ("License") included hereunder passes title to you, such title shall automatically, and without further action, hereby vest in us, and you hereby agree to relinquish any subsequent Software title, purchase or use right claim. If, in connection with our Software rights, licensor's consent is required, you will assist us in obtaining such consent. If the \$1.00 Buyout is selected above, the first three sentences of this section 8 shall be void and upon expiration of the Term, you shall pay all amounts owed by you hereunder but unpaid as of such date plus \$1.00 (and any applicable taxes). Any purchase of the Equipment by you pursuant to a purchase option or \$1.00 Buyout shall be "AS IS, WHERE IS" without representation or warranty of any kind from us.

9. Miscellaneous: You acknowledge we have given you the Equipment supplier's name. We hereby notify you that you may have rights under the supplier's contract and may contact the supplier for a description of these rights. This Agreement shall be governed and construed in accordance with the laws of Michigan. You agree (i) to waive any and all rights and remedies granted to you under Uniform Commercial Code Sections 2A-508 through 2A-522, (ii) that the Equipment will only be used for business purposes and not for personal, family or household use and (iii) that a facsimile copy of this Agreement and each document executed with this Agreement may be treated as an original and will be admissible as legal evidence thereof. We may inspect the Equipment during the Term. No failure to act shall be deemed a waiver of any rights hereunder. If you fail to pay (within thirty days of invoice date) any freight, sales tax or other amounts related to the Equipment which are not financed hereunder and are billed directly by us to you, such amounts shall be added to the Payments set forth above (plus interest or additional charges thereon) and you authorize us to adjust such Payments accordingly. If you are required to report the components of your payment obligations hereunder to certain state and/or federal agencies or public health coverage programs such as Medicare, Medicaid, SCHIP or others, and such amounts are not adequately disclosed in any attachment hereto, then Stryker Sales Corporation will, upon your written request, provide you with a detailed outline of the components of your payments which may include equipment, software, service and other related components. You acknowledge that you have not received any tax or accounting advice from us. You agree that you shall upon request from us, promptly provide to us a copy of your most recent annual financial statements and any of your other financial information (including interim financial statements) that we may request. You authorize us to share such information with our affiliates, subsidiaries and Assignees. This Agreement, any schedules hereto, any attachments to this Agreement or any schedules and any express warranties made by Stryker Sales Corporation constitute the entire agreement between the parties hereto regarding the Equipment and its use and possession and supersede all prior agreements and discussions regarding the Equipment and any prior course of conduct. You waive all rights to any indirect, punitive, special or consequential damages in connection with the Equipment or this Agreement. There are no agreements, oral or written, between the parties which are contrary to the terms of this Agreement and such other documents. YOU AGREE THAT THIS IS A NON-CANCELLABLE AGREEMENT AND WAIVE TRIAL BY JURY.

I CERTIFY THAT I AM AUTHORIZED TO SIGN THIS AGREEMENT FOR CUSTOMER

Customer Signature	
Signature: <i>Dana M. Weston</i>	Date: <i>03/07/17</i>
Print Name: Dana M. Weston	
Title: President and CEO	

Accepted By Stryker Flex Financial, a division of Stryker Sales Corporation	
Signature: <i>R. Harbor</i>	Date: <i>3/24/17</i>
Print Name: <i>R. Harbor</i>	
Title: <i>Authorized Signer</i>	

Agreement #:

Mar. 9. 2017 9:50AM

MOREHEAD MEMORIAL HOSPITAL

No. 6476 P. 5

stryker
 FLEX FINANCIAL

 Exhibit A to Short Form Lease Agreement Number
 Description of Equipment

Customer Name: Morehead Memorial Hospital

Delivery Address: 117 East Kings Hwy, Eden, North Carolina 27288-5201

Part I - Equipment/Service Coverage (if applicable)

Model Number	Equipment Description	Quantity
5450850000	Sonopet 110V Console with Foot Pedal and Pole	1
5450820000	Sonopet Angled Handpieces, Universal	2
5450800278	Sterilization Tray 7mm, Universal	2
5450800039	Torque Wrench 90 Degree, Universal	2
5450850410	Sonopet Cart	1

Total Equipment: \$168,595.18

Total Financed Amount: \$168,595.18

Customer Signature	
Signature: <i>Dana M. Weston</i>	Date: 03/07/17
Print Name: Dana M. Weston	
Title: President and CEO	

Accepted By Stryker Flex Financial, a division of Stryker Sales Corporation	
Signature: <i>R. Yarbrow</i>	Date: 3/24/17
Print Name: R. Yarbrow	
Title: Authorized Signer	

Agreement Number:

MAINT.05.1.1 Lease Contract Inquiry 10/09/2017
Open Item Detail

Contract Open Item 93194785 Private Label N No
Dealer Name STRYKER FLEX FINA Program Type True Lease Invoice 33713807
Date Due 09/03/2017 Past 31 05* Misc Memo
Remit To Inv./Credit No.
03* Asset Tax Location Data Linked Misc
04* Charge List 08* Item Links

Seq	Description	Invoice Amount	Amount Rcvd	Amount Due	Date Rcvd
	Account Method	Misc Invd Num	Manual Chgs	Payment Memo	Trans Num
	CONTRACT PAYMEN	4,394.40	0.00	4,394.40	
	Cash		0.00		
	State Tax	208.73	0.00	208.73	
	County Tax	87.89	0.00	87.89	
			0.00		
	Total Due			4,691.02	

Selection End of List

VT 550 R 72 C 11



UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

CT Lien Solutions
Representation of filingThis filing is Completed
File Number : 20170024239A
File Date : 09-Mar-2017

A. NAME & PHONE OF CONTACT AT FILER (optional) Phone: Fax:	
B. E-MAIL CONTACT AT FILER (optional)	
C. SEND ACKNOWLEDGMENT TO: (Name and Address) 15602 - US BANK	
CT Lien Solutions P.O. Box 29071 Glendale, CA 91209-9071	57950428 NCNC
File with: Secretary of State, NC	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME MOREHEAD MEMORIAL HOSPITAL					
OR	1b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 117 E KINGS HIGHWAY			CITY EDEN	STATE NC	POSTAL CODE 27288
				COUNTRY USA	

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE
				COUNTRY	

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME STRYKER SALES CORPORATION					
OR	3b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 1901 Romence Road Parkway			CITY Portage	STATE MI	POSTAL CODE 49002
				COUNTRY USA	

4. COLLATERAL: This financing statement covers the following collateral:

- 1- SONOPET 110V CONSOLE WITH FOOT PEDAL AND POLE;
- 2- SONOPET ANGLED HANDPIECE, UNIVERSAL;
- 2- STERILIZATION TRAY 7MM, UNIVERSAL;
- 2- TORQUE WRENCH 90 DEGREE, UNIVERSAL;
- 1- SONOPET CART;

TOGETHER WITH ALL REPLACEMENTS, PARTS, REPAIRS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO AND ANY AND ALL PROCEEDS OF THE FOREGOING, INCLUDING, WITHOUT LIMITATION, INSURANCE RECOVERIES.

5. Check <u>only</u> if applicable and check <u>only</u> one box: Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, item 17 and Instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative	
6a. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor is a Transmitting Utility	6b. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing
7. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input type="checkbox"/> Bailee/Bailor	
8. OPTIONAL FILER REFERENCE DATA: 57950428 3000002665 2214719	



EQUIPMENT FINANCE

PURCHASE ORDER

PO Number: 2214719

Date: March 9, 2017

PO Expiry: May 9, 2017

To:

Stryker Flex Financial
1901 Romance Road Parkway
Portage, MI 49002

Sold to:

U.S. Bank Equipment Finance, a division of U.S. Bank National Association
PO Box 230789
Portland, OR 97281-0789

Ship to:

MOREHEAD MEMORIAL HOSPITAL
117 E KINGS HIGHWAY
EDEN, NC 27288

The undersigned ("Buyer") subject to the terms and conditions stated below hereby orders the equipment ("Equipment"), software ("Software") and/or soft costs described below (collectively, the "System") from you (the "Seller") for a purchase price not to exceed the total cost set forth below.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THIS PURCHASE ORDER IS SUBJECT TO THE TERMS AND CONDITIONS OF THE MASTER FINANCING PROGRAM AGREEMENT DATED OCTOBER 16, 2008, BY AND BETWEEN STRYKER SALES CORPORATION, HOWMEDICA OSTEONICS CORPORATION AND U.S. BANK EQUIPMENT FINANCE, A DIVISION OF U.S. BANK NATIONAL ASSOCIATION (THE "PROGRAM AGREEMENT"), THE TERMS OF WHICH ARE INCORPORATED HEREIN BY REFERENCE AS IF SET FORTH IN FULL. CAPITALIZED TERMS USED, BUT NOT DEFINED HEREIN, ARE USED WITH THE RESPECTIVE MEANINGS SET FORTH IN THE PROGRAM AGREEMENT. The Equipment or System purchased hereunder is being purchased for lease to the shipping recipient specified above (the "Lessee"). The Lessee has assigned to Buyer any orders issued by Lessee to Seller in regard to the Equipment/System.

EQUIPMENT DESCRIPTION

See Exhibit A to Stryker Agreement No.:

EQUIPMENT COST	\$168,595.18
SERVICE COVERAGE	\$0.00
FINANCED BUYOUT	\$0.00
SUB-TOTAL	\$168,595.18
LESS SUBSIDY/DISCOUNT	\$0.00
LESS BUYOUT	\$0.00
TOTAL DUE VENDOR FROM BUYER	\$168,595.18

The following terms are in addition to those contained elsewhere in the Program Agreement and elsewhere in this Purchase Order:

Seller's document package contains the following deficiencies:

1. Invoice

Note: Per the terms of the Program Agreement, Seller shall resolve any deficiencies within 60 days of Buyer's payment of the purchase price or Seller shall be obligated to repurchase the Equipment/System and Transaction Documents.

NOTIFICATION: U.S. BANK EQUIPMENT FINANCE, A DIVISION OF U.S. BANK NATIONAL ASSOCIATION has assigned its rights (but not its obligations) under this Purchase Order, regarding the purchase of the Equipment/System described herein, to USBEF Exchange Co. as part of an IRC Section 1031 exchange. This assignment has no effect on your rights or obligations hereunder.

U.S. Bank Equipment Finance, a division of U.S. Bank National Association

By: Shannan Bailey
An Authorized Officer Thereof

REV 04/30/2015





Stryker Flex Financial
1901 Romence Road Parkway, Portage, MI 49002-3672
Phone: (888) 308-3146 Fax: (888) 605-4344

REMIT TO

Stryker Instruments
4100 E MILHAM AVENUE, KALAMAZOO, MI 49002
Sales: (800) 253-3210 Service: (888) 311-4521

SHIP TO: Morehead Memorial Hospital
117 East Kings Hwy
Eden, North Carolina 27288-5201

SOLD TO: U.S. Bank Equipment Finance, a division of U.S. Bank National Association
PO Box 230789
Portland, OR 97281-0789

INVOICE NUMBER	INVOICE DATE	LPO NUMBER	Terms		
2210020970	3/24/2017	2214719	On Receipt		
QTY	ITEM	DESCRIPTION	UNIT PRICE	AMOUNT	
1	5450850000	Sonopet 110V Console with Foot Pedal and Pole	\$109,845.00	\$109,845.00	
2	5450820000	Sonopet Angled Handpiece, Universal	\$50,200.00	\$50,200.00	
2	5450800278	Sterilization Tray 7mm, Universal	\$1,030.00	\$1,030.00	
2	5450800039	Torque Wrench 90 Degree, Universal	\$5,670.18	\$5,670.18	
1	5450850410	Sonopet Cart	\$1,850.00	\$1,850.00	
			SUBTOTAL		\$168,595.18
			SALES TAX		
			INVOICE TOTAL		\$168,595.18



(A) LASASP01 MOD5 - PASSPORT

Wednesday, November 01, 2017, 9:50:18 AM

CMAINT.05.1

Lease Contract Inquiry
Open Item Inquiry

11/01/2017

Contract

Private Label N No

Dealer Name STRYKER FLEX FINANCIAL

Program Type True Lease

Seq	Item	Date Due	Description	Total Invd	Total Rcvd	Total Due
0001)	94508554	11/03/17	CONTRACT PAYMEN	4,691.02		4,691.02
0002)	93883825	10/03/17	CONTRACT PAYMEN	4,691.02		4,691.02
0003)	93194785	09/03/17	CONTRACT PAYMEN	4,691.02		4,691.02
0004)	92742382	08/03/17	SALES TAX	889.86		889.85
0005)	92462496	08/03/17	CONTRACT PAYMEN	4,394.40	4,073.67	320.73
0006)	91841166	07/03/17	CONTRACT PAYMEN	4,394.40	4,394.40	
0007)	91178670	06/03/17	CONTRACT PAYMEN	4,394.40	4,394.40	
0008)	90504914	05/03/17	CONTRACT PAYMEN	4,394.40	4,394.40	
Subtotal --				15,283.65	Grand Total --	15,283.65

Selection

End of List



Detailed Pay History Report

U.S. BANK - HEALTHCARE VENDOR SERVICES LKE
Phone 800-328-5371 Fax #

Level: IL Agreement#
Format: L Lessee
Report Type: Contract
Linked: No
Sort by: Charge Due Date

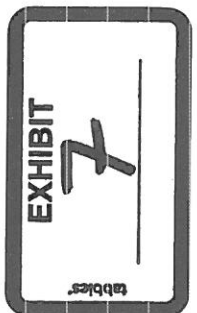
CLIENT: STRYKER FLEX FINANCIAL 1630350 / 302592

MOREHEAD MEMORIAL HOSPITAL - 117 E KINGS HIGHWAY, EDEN, NC 27288 336-623-9711
Customer Credit Account Number: # 03
Completed Payments: 3 of 36
Application Numbers/Agreement Number(s):

Date	Amount	Charge Due	Contract#	Rental	Rental	Misc	Misc	Days	Adjustments
Funds	Received	Applied		Payment	Charges	Charge	Code		
<u>Current Charges Unpaid</u>									
09/03/2017				\$320.73	\$889.86	T338		90	
sub total				\$320.73	\$889.86				
09/03/2017				\$4,394.40	\$296.62			59	
sub total				\$4,394.40	\$296.62				
10/03/2017				\$4,394.40	\$296.62			29	
sub total				\$4,394.40	\$296.62				
11/03/2017				\$4,394.40	\$296.62				
sub total				\$4,394.40	\$296.62				
Current Charges Due				\$13,503.93	\$889.86	\$889.86			
<u>Paid to Date</u>									
05/01/2017	\$4,394.40			\$4,394.40				-2	
sub total				\$4,394.40					
06/01/2017	(\$4,394.40)			(\$4,394.40)				46	REVERSED
06/01/2017	\$4,394.40			\$4,394.40				-2	
06/03/2017	\$4,394.40			\$4,394.40				86	
sub total				\$4,394.40					
07/03/2017	4,394.40			(\$4,394.40)				16	REVERSED
07/03/2017	\$4,394.40			\$4,394.40				3	
10/02/2017	\$617.35			\$617.35				96	
08/28/2017	\$3,777.05			\$3,777.05				56	

Detailed Pay History Report

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Date	Date	Check #	Amount	Charge Due	Contract #	Rental	Rental	Misc.	Misc.	Days
Printed	Printed			Date		Payment	Sales	Charge	Charge	Adjustment
Received	Applied						Tax	Amount	Code	
10/02/2017	10/06/2017	508818				\$4,394.40				
					sub total	\$4,394.40				
			\$4,073.87	09/03/2017		\$4,073.87				84
					sub total	\$4,073.87				
			\$17,258.87		Totals	\$17,258.87				
					SUMMARY					
					Total Due	\$32,540.52				
					Total Recd	\$17,268.87				
					Balance Due	\$15,283.65				
					Key	CODE	DESCRIPTION			
					T338		SALES TAX			

CERTIFICATE OF SERVICE

I, Gregory P. Chocklett, Attorney at Law, certify that I am and at all times hereinafter mentioned was more than 18 years of age;

That on the date below listed, I served a copy of the foregoing *Response to Amended Notice of Executory Contracts and Unexpired Leases Subject to Possible Assumption and Assignment and Proposed Cure Amounts* on the following party in this proceeding by depositing copies thereof in the USPS first class mail, postage prepaid, and addressed as follows:

Morehead Memorial Hospital
117 E Kings Hwy
Eden NC 27288-5201
Debtor

That on the date below listed, I served a copy of the foregoing *Response to Amended Notice of Executory Contracts and Unexpired Leases Subject to Possible Assumption and Assignment and Proposed Cure Amounts* on the following parties in this proceeding electronically via CM/ECF:

Jennifer Barker Lyday
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Attorneys for Official Committee of Unsecured Creditors

This the 9th day of November, 2017.

/s/ Gregory P. Chocklett

GREGORY P. CHOCKLETT

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